

**MINUTES OF MEETING OF BOARD OF TRUSTEES OF THE
CITY OF NEWPORT NEWS EMPLOYEES' RETIREMENT FUND**

March 27, 2014

City Council's Conference Room/Tenth Floor

9:00 a.m.

1. Roll Call: JoAnn Armstrong (X), Bill Eastburn (X), Art Gudikunst (), Philip Hatchett (X), Frank James (X), Bobby Lanier (X), Robert Lee (X), Kimberly Powell (X), Richard Wuska (X).

Rich Caplan (X), Marty Eubank (), Bill Keeler (X),
Cathy Matthews (X), Tom Mitchell (X),
Tonya O'Connell ()

Others present: Cindy Rohlf, Assistant City Manager
Retirees (3)

2. Call to Order.

The Chairman called to order the regular meeting of the Retirement Board at 9:00 a.m. on March 27, 2014.

3. Minutes of Meeting of February 27, 2014:

The minutes were approved as amended.

4. Committee on Investments:

Assets as of February 28, 2014:

Pension	\$834,065,983
Post Retirement	<u>24,448,460</u>
Total	<u>\$858,514,443</u>

Mr. Lanier reported for the Committee on Investments. He noted that the Committee held a Closed Session meeting to discuss or consider the acquisition/disposition of real property, but that no action will be taken as a result of the discussion.

He also noted that the Committee discussed with Mr. Dahab of Dahab & Associates, the current asset allocation. Mr. Dahab was asked to provide options to rebalance the Fund balances.

The Committee on Investments and Mr. Dahab addressed the Investment Policy and his recommendation to reduce the Fixed Income exposure from 16.24% to 15%. After discussion, it was decided to recommend that \$1,680,000 be withdrawn from CS McKee and held in cash until the asset allocation recommendations are reviewed.

Approved *Upon motion duly made, and seconded, the Board unanimously agreed to withdraw \$1,680,000 from CS McKee and held in cash.*

The Committee met with Ian Leverich, an Abel/Noser representative. Mr. Leverich discussed their commission recapture program and their transaction cost analysis. There was subsequent discussion regarding the Fund's current contract with ConvergeEx. Staff was directed to terminate the contract with ConvergeEx and enter into a contract with Abel/Noser for commission recapture services.

Mr. James and Mr. Mitchell thanked the Committee on Investments and the Committee on Administration for their diligence in reviewing the Fund's asset allocation and strategies.

It was noted that the next Committee on Investments meeting is scheduled for April 17, 8:30 a.m., City Center, 2nd Floor, Human Resources Conference Room.

5. Committee on Administration:

Mr. Hatchett mentioned that the Committee on Administration will be conducting interviews for the Fund's Investment Consultant on April 21 and 22. He informed the Board that Mr. Mitchell will moderate the interview process and encouraged the Board and Committee members to participate on the interview panel. Mr. Hatchett also provided the structure of the interview process, indicating that the panel will go into Closed Session to conduct the interviews. Mr. Mitchell pointed out the need for transparency even though the professional services contract does not have to go through City procurement.

6. Disability Review Committee:

There was no report.

7. Benefits & Welfare Committee:

There was no report.

8. Old Business:

There was none.

9. New Business:

- a. The benefits awarded for the month of March were reviewed by the Board.
- b. Mr. Gudikunst and Mrs. O'Connell asked to be excused due to previous commitments.
- c. Retirees questions and concerns:

Mr. Pegram inquired about the proposed City budget and Mr. Mitchell responded that the contribution to the retirement plan was budgeted to be \$3.5 million higher in the FY 15 budget.

- d. **April** Board meeting will be **Thursday, April 24, 2014.**

10. Adjournment:

There being no further business to come before the Board, the meeting was adjourned at 9:55 a.m.

A true copy, attest:



Tom Mitchell, Secretary
Board of Trustees